



Department of Transport in conjunction with the Australian Transport Data Action Network (ATDAN)

Submission for Inclusion of Ride
Sourcing in the Method of Travel to
Work (MTWP) for the ABS 2021 Census

June 2018



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SUBMISSION SUPPORT

The submission to include ride sourcing as a separate Method of Travel to Work option in the 2021 Census is supported by the following stakeholders.

- o Bureau of Infrastructure, Transport and Regional Economics
- o Australian Bureau of Statistics
- o Department of Transport and Main Roads, Queensland
- o Australian Local Government Association
- o Transport for NSW
- o Department of Transport, Western Australia
- o Department of Main Roads, Western Australia
- o National Heavy Vehicle Regulator
- o National Transport Commission
- o Department of Economic Development, Jobs, Transport and Resources, Victoria
- o Transport for Victoria
- o Department of Planning, Transport and Infrastructure, South Australia
- o Department of State Growth, Tasmania
- o Department of Infrastructure, Planning and Logistics, Northern Territory
- o Transport Canberra and City Services Directorate, Australian Capital Territory
- o WA Local Government Association
- o On-demand Transport, Department of Transport

All stakeholders agree with the need to collect ride sourcing information and the proposal to do so.



1. SUMMARY

Ride sourcing is emerging as a significant mode of transport.

In order for transport authorities to be able to maximise the opportunities associated with ride sourcing and minimise any risks, it is imperative to have an avenue for obtaining such valuable data through the 2021 Census.

- The need for the data is nationally important.
- Data is needed for the whole population.
- The data can be accurately collected.
- The data is not contentious.
- The data can be collected efficiently.
- The data is needed over the long term.
- The Census is the most suitable way to collect the data.

Ride sourcing will continue to remain relevant in the future as all signs indicate that its proportion of the transport market will only continue to grow, including its share of the work commute.

Given the long-term policy and planning decisions that are required to support transport infrastructure (including public transport, roads, bike lanes and footpaths), there is an urgent need to collect data on the adoption of ride sourcing services and their potential impacts on travel choices and how they affect transport decisions.

There is widespread stakeholder support for this proposal.

Excluding ride sourcing as a method of commuting to work misses a valuable opportunity for government authorities to better understand its impact in a rapidly changing transport landscape and to support transport policy and planning decisions to meet community needs.

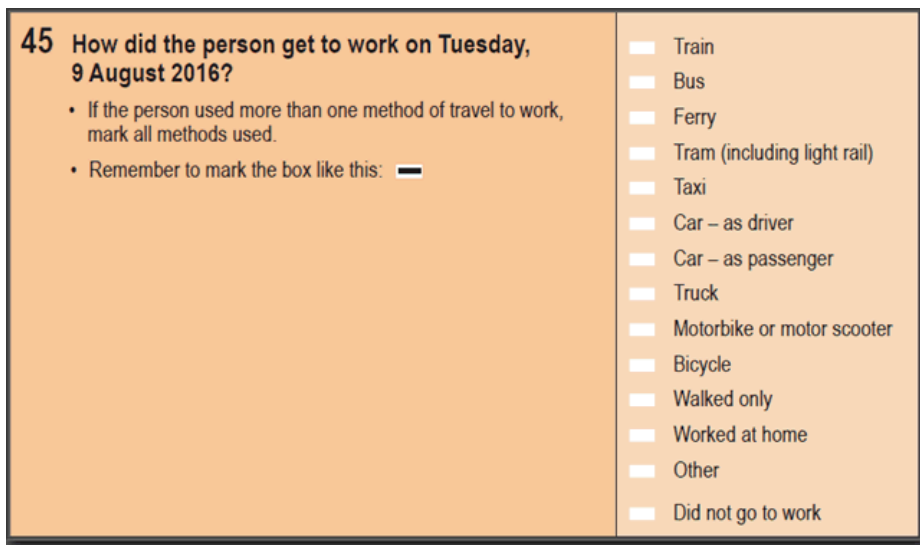
2. BACKGROUND

2.1 Method of Travel to Work (MTWP)

The Australian Bureau of Statistics (ABS) Census currently includes a question which asks respondents to select the method/s they use to get to work on Census day.

This submission advocates for the inclusion of 'ride sourcing'¹ as a further method of getting to work, in addition to the current options which are shown below in Figure 1:

Figure 1: ABS Census 2016, Method of Travel to Work (MTWP)



45 How did the person get to work on Tuesday, 9 August 2016?

- If the person used more than one method of travel to work, mark all methods used.
- Remember to mark the box like this: ☒

☐	Train
☐	Bus
☐	Ferry
☐	Tram (including light rail)
☐	Taxi
☐	Car – as driver
☐	Car – as passenger
☐	Truck
☐	Motorbike or motor scooter
☐	Bicycle
☐	Walked only
☐	Worked at home
☐	Other
☐	Did not go to work

Source: Australian Bureau of Statistics

Technological advancements over the past decade have resulted in a shift in the way that people travel and the way they access the ability to travel. The growth in use of smartphones and apps are examples of market-driven developments which have transformed the possibilities for transport and have led to the emergence of new transport services. With the advent of technological change in the transport sector (e.g. journey planning apps, contactless payments and the provision of real time information), consumers have embraced new service delivery models in the changing transport landscape.

One of the most significant developments in the transport sector which has been supported by technology innovation and the growth of the sharing economy has been the emergence of ride sourcing – a form of convenient, flexible on-demand transport booked through smartphone apps that enable customers to tailor their journeys to fit individual needs.

¹ DoT requested submissions from stakeholders on a draft proposal which put forward the term 'ride sharing' as this term is widely used to describe on demand transport services that are distinct from taxis. Two stakeholders – Queensland's Department of Transport and Main Roads (TMR) and Transport for NSW – were not supportive of the term ride sharing due to concerns that this would be confused with 'car sharing' or 'car pooling'. TMR's submission noted that the community is likely to assume that the term ride sharing involves some form of sharing with other people and therefore, provide an inaccurate response. To avoid any confusion, therefore, DoT has adopted 'ride sourcing' as the term, following the definition used by the Australian Tax Office as outlined in the next section.



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The growth in the ride sourcing market emphasises the need for governments to have access to vital information about travel patterns and usage in order to be able to effectively plan and deliver

services for future transport networks. The inclusion of ride sourcing in the Census will provide an important mechanism for transport authorities to access crucial data on this relatively new and evolving method of travel. While traditionally taxis have been used as the main form of on demand transport, consumers are now using ride sourcing services as well to complement existing services and it is likely that it will also form an important part of the journey to work picture in the coming years which governments will need to have visibility over to better inform policy.

2.2 Ride sourcing defined

There are currently several different definitions of the term 'ride sourcing' which is also referred to as 'ride sharing', 'ride hailing' or 'on demand transport'. Although these terms generally refer to the same type of service and there is some overlap in the definitions used, in this submission DoT has adopted the definition below of 'ride sourcing' used by the Australian Tax Office (ATO) in order to provide a clear distinction between registered taxis (which are also referred to as 'on demand transport') and to capture the distinct nature of ride sourcing services.

Ride sourcing is defined by the Australian Taxation Office as an arrangement where:

- ***A driver makes a car available for public hire for passengers;***
- ***A passenger uses a website or app provided by a third party (facilitator) to request a ride (e.g. Uber, GoCatch and others);***
- ***The car is used to transport the passenger for payment (a fare).***

Source: ATO website, 'Ride sourcing', accessed at: <https://www.ato.gov.au/General/The-sharing-economy-and-tax/Ride-sourcing/>

Ride sourcing companies that are currently operating in each of the Australian states and territories include (as at June 2018):

- WA – Uber, Ola, Shofer, Hi Oscar, Shebah.
- NSW – Uber, UberPOOL, Taxify, Ola, GoCatch, HOP, Shebah
- VIC – Uber, Taxify, GoCatch, Ola, Shebah
- QLD – Uber, GoCatch, Shebah, Muve, Ola
- SA – Uber, Shebah
- ACT – Uber, GoCatch
- TAS – Uber, Shebah
- NT – Hi Oscar



3. ABS 2021 CENSUS – ASSESSMENT CRITERIA

The assessment criteria for submissions to the 2021 Census and justifications for inclusion of ride sourcing are outlined below.

3.1 The topic is of current national importance

The benefits of ride sourcing for transport authorities include the potential for such services to reduce private vehicle ownership and use, with associated positive impacts on congestion and the environment and improving connectivity by addressing gaps in the transport network (i.e. the provision of 'first mile-last mile' connections to public transport hubs). For consumers, the benefits include having more choices on offer, accessibility, flexibility and convenience. There are also risks for government around continuing to ensure consumer protection and safety.

In order for transport authorities to be able to maximise the opportunities associated with ride sourcing and minimise any risks, it is imperative to have an avenue for obtaining such valuable data through the 2021 Census.

Ride sourcing has experienced significant growth in adoption over the past several years throughout Australia and worldwide. The ride sourcing company with the largest market share in Australia – Uber – has grown substantially since its launch in 2014. Research shows that 3.7 million Australians aged 14 years and over (18.4% of the population) travelled by Uber in the three months to December 2017, up from just under 1 million (5.1%) less than 2 years ago.² The same research also showed that in the last three months of 2017, approximately 24% of WA residents had used an Uber, followed by 22% in Victoria, and 17% in both NSW and Queensland. Since Uber's launch in April 2014 to 2016, over 10 million uberX rides have been completed in Australia.³ Nationally, Uber earned an estimated \$260 million in fares in 2016.⁴

Such extensive growth demonstrates how the ride sourcing market has expanded nationally within a short period of time and highlights the ways in which ride sourcing has changed the way Australians travel. Although the available evidence indicates that the majority of ride sourcing trips are currently made for recreational or social purposes and predominantly on weekends,⁵ the growing proportion of trips taken with ride sourcing services more broadly indicates that the number of trips taken for the work commute will also increase.

This is particularly the case in the future environment where nationally, trip patterns will continue to vary with the growth of the 'sharing' economy (e.g. car sharing and bike sharing), as well as changing work patterns (e.g. flexible hours, telecommuting, etc). There is evidence of corporate accounts being established with ride sourcing companies for work related trips. Ride sourcing is becoming a popular transport mode for businesses as travel can be easily monitored and provides a cost saving.

² Roy Morgan. 'Uber soars and well placed to tackle rising competition'. 16 December 2017. Accessed at: <http://www.roymorgan.com/findings/7444-uber-growth-last-two-years-2015-2017-september-2017-201712150309>

³ Deloitte Access Economics. 2016. 'Economic Effects of ride-sharing in Australia'.

⁴ NSW Department of Finance, Services and Innovation and Deloitte Access Economics. 2017. 'Developments in the Collaborative Economy in NSW'. Sydney.

⁵ Houston Kemp Economists. 2017. 'Use of ride sharing and taxi services in New South Wales'. A report for the Independent Pricing and Regulatory Tribunal. Sydney; American Public Transportation Association (APTA). 2016. 'Shared Mobility and the Transformation of Public Transit'. Chicago.



The rapid increase in ride sourcing use on a national scale raises questions around just how ride sourcing has changed travel patterns, including the extent to which users are substituting from public transport or other modes, changes in mode use and its impact on congestion and carbon emissions. These are all important questions for policy makers and will provide highly useful data that can be used for research and policy development purposes. Including ride sourcing in the Method of Travel to Work in the 2021 Census will help to shed further light on answering the questions that its extensive use raises.

Excluding ride sourcing as a method of commuting to work misses a valuable opportunity for government authorities to better understand its impact in a rapidly changing transport landscape and to support transport policy and planning decisions to meet community needs.

3.2 There is a need for data from a Census of the whole population

The value of collecting ride sourcing data can be seen in the opportunities it provides for transport authorities to better support policy and planning processes into the future and recognise emerging transport trends in order to be able to respond accordingly, e.g. proactive regulatory or legislative change. The ability to harness ride sourcing data is further enhanced through cross classification with other characteristics collected in the Census including socio-economic and demographic data. The inclusion of ride sourcing as a Method of Travel to Work could allow the Census to examine use amongst population groups in certain geographic locations or socio-demographic characteristics. On a larger scale, the data could be used to ascertain national, state, regional or local trends or patterns, particularly when cross-referenced with demographic information such as age, gender, education, income and employment status.

For example, studies have shown that millennials⁶ are one of the key driving forces behind the growth of the 'shared economy' and are more likely to use ride sourcing, representing the largest proportion of ride source users.⁷ In particular, Australian research shows that despite the growth of Uber use amongst older age groups a clear majority of Uber users – 58.7% – are still aged under 35, either 14-24 years (25.1%) or 25-34 years (33.6%).⁸ It also reflects a broader societal trend in changing vehicle use and ownership in Australia; in particular licensing rates among younger people are declining.⁹

⁶ The millennial generation refers to people born roughly between 1980 and the mid-2000s (City of Melbourne & Institute for Sensible Transport. 2016. 'Emerging transport technologies').

⁷ Wong Y., Hensher A. & Mulley, C., 2017. 'Emerging Technologies and the modal efficiency framework: A case for mobility as a service (MaaS). *International Conference Series on Competition and Ownership in Land Passenger Transport*. Thredbo 15. Stockholm.

⁸ Roy Morgan. 'Uber soars and well placed to tackle rising competition'. op cit.

⁹ Delbosc, A. & Currie, G., 2013. 'Causes of Youth Licensing Decline: A Synthesis of Evidence'. *Transport Reviews*. 33 (3): 271-290; Bureau of Infrastructure, Transport and Regional Economics (BITRE). 2017. Information sheet 84. 'Drivers Licences in Australia'. Canberra; Somers, A. & Eldaly,



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Data obtained from the Census therefore, could be used to examine how travel patterns amongst different population groups (including use amongst younger and older Australians), have changed over time as well as any differences between different geographic areas and levels of ride source use for work commuting in order to enable transport authorities to undertake more targeted transport planning and investment.



3.3 The topic can be accurately collected in a form which the household completes themselves

The addition of ride sourcing would not be onerous as it does not constitute a separate Journey to Work question – rather, it is simply a further option for respondents to select within the Journey to Work question. As a result, it is simple and easy for respondents to understand and does not require a lengthy or overly complicated explanation in order to answer accurately. It is recommended that the following wording is used in the check/tick box: **ride sourcing (e.g. paid service via Uber)**. The inclusion of ride sourcing companies enhances the clarity of the question so that respondents are clear on what is being asked, without adding further complexity.

3.4 The topic would be acceptable to Census respondents

The addition of ride sourcing is not considered offensive, intrusive or controversial; it does not seek opinions or attitudes and is not subjective in nature. Respondents will be willing and able to answer accurately as it is straightforward and quick to provide an answer. Including examples of ride sourcing companies in the ride sourcing option means that it is easy for all groups to understand, given the widespread societal awareness of ride sourcing – even if people have not used a ride sourcing platform, it is highly likely they have heard of it and have some understanding of what it is and whether they have used it on Census day.

3.5 The topic can be collected efficiently

The responses to whether ride sourcing was used as a Method of Travel to Work should not be too difficult to code or process given that it is only a subset of the broader Method of Travel to Work question and only requires one extra check/tick box for respondents to select, for example, the ride sourcing option could be framed in the following way:

☐ **Ride sourcing (e.g. paid service via Uber)**

Including ride sourcing will not require any further response categories or multiple questions to be required to collect additional data. It will not significantly add to the overall cost of the Census.

3.6 There is likely to be a continuing need for data on the topic in the following Census

There is a continuing need for collecting ride sourcing data as understanding changes in commuting and travel patterns enables transport and planning authorities to plan and to predict future use of new or updated transport systems and transport services based on their understanding of the current users of various transport options. Collecting data in the following Census will enable transport authorities to identify any changes in mode use and travel behaviour and as a result, is highly valuable for informing policy development and planning around transport service delivery.

Ongoing data is needed for transport authorities to inform future research around how ride sourcing may also influence future trajectories of traffic volumes and associated carbon emissions so that cities can effectively plan for transport



infrastructure and public transport investments.¹⁰ As noted by a report undertaken in the US, while research that harnesses data from ride sourcing companies may shed light on the utilisation, demographics, and miles travelled of ride sourcing

services, the more complex decisions that individuals and households make over time require continued data collection efforts through representative samples of the population.¹¹

As noted in a stakeholder submission provided by the Tasmanian Department of State Growth to DoT on the inclusion of ride sourcing as a Method of Travel to Work (MTWP), "data on changing travel patterns will be useful for governments to assess any gaps in existing public passenger transport networks. Additionally, longitudinal data may assist governments in revenue forecasting through predicting changes in vehicle ownership and registration".

Ride sourcing will continue to remain relevant in the future as all signs indicate that its proportion of the transport market will only continue to grow, including its share of the work commute.

Ride sourcing has ongoing national relevance for decision makers given it is an integral part of the rapidly evolving transport market and technology innovation, the expanding shared economy and the predominant use of mobile phone apps and 'the Internet of Things' in order to access and consume products and services. As ride sourcing continues to offer a convenient and relatively affordable method of travel, it is likely that more and more people will use it for their work commute (and other purposes during peak periods) highlighting the need to continue gathering data which can then be analysed and provide research insights.

3.7 There are no other suitable alternative data sources or solutions that could meet the topic need

There is currently a limited amount of publically available data for authorities to assess how, when and why ride sourcing services are utilised. Ride sourcing data is not currently collected in an ABS survey or by other government agencies/authorities.

Although there has been some research undertaken on the take-up and use of ride sourcing in Australia and the United States, these studies do not specifically address the journey to work commute,¹² and in some cases, rely primarily on data provided by Uber.¹³

Due to the competitive nature of the market, ride source companies are reluctant to release data on usage. Currently, any data about ride sourcing from these companies is only available on request however there is no guarantee that the company will make it available for government, as is their prerogative. There are no regulatory, legal or other mechanisms to compel companies to share their data with government for public policy purposes and analysis.¹⁴

¹⁰ Clewlow, R.R. & Mishra, G.S., 2017. *Disruptive Transportation: The Adoption, Utilization and Impacts of Ride-Hailing in the United States*, Research Report, Institute of Transportation Studies, Davis, California.

¹¹ Clewlow & Mishra. op cit.

¹² Houston Kemp Economists op cit.; Roy Morgan op. cit; Clewlow & Mishra, op. cit.

¹³ Deloitte Access Economics, op. cit.

¹⁴ City of Melbourne and Institute for Sensible Transport. 2016. 'Emerging Transport Technologies: Assessing impacts and implications for the City of Melbourne'. Melbourne.



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Collection of data on the use of ride sourcing through the Census will provide a valuable source of reliable data from a government authority, independent of reliance on ride sourcing companies. A 2015 US Deloitte Report on smart mobility recommended the US Census Bureau include on-demand ride services (i.e. ride sourcing) as one of the options for journey to work questions in its American Community Survey as this would greatly aid transport planners in assessing the impact of on-demand ride services, as well as their benefits and potential downsides.¹⁵

Given the long-term policy and planning decisions that are required to support transport infrastructure (including public transport, roads, bike lanes and footpaths), there is an urgent need to collect data on the adoption of ride sourcing services and their potential impacts on travel choices and how they affect transport decisions.¹⁶

4. OTHER COMMENTS

4.1 Submission support

As part of the development of this submission, DoT sought comments from various stakeholders including the Australian Transport Data Action Network (ATDAN), members consisting of

- o Bureau of Infrastructure, Transport and Regional Economics (BITRE)
- o Australian Bureau of Statistics (ABS)
- o Department of Transport and Main Roads, Queensland
- o Australian Local Government Association
- o Transport for NSW
- o Department of Transport, Western Australia
- o Department of Main Roads, Western Australia
- o National Heavy Vehicle Regulator
- o National Transport Commission
- o Department of Economic Development, Jobs, Transport and Resources, Victoria
- o Transport for Victoria
- o Department of Planning, Transport and Infrastructure, South Australia
- o Department of State Growth, Tasmania
- o Department of Infrastructure, Planning and Logistics, Northern Territory
- o Transport Canberra and City Services Directorate, Australian Capital Territory

Support was also received from

- o WA Local Government Association (WALGA)

¹⁵ Deloitte Consulting TTL. 2015. 'Smart Mobility: Reducing Congestion and fostering faster, greener and cheaper transportation options'. United States.

¹⁶ Clewlow & Mishra, op. cit.



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o On-demand Transport (DoT)

Stakeholder submissions were all supportive of including ride sourcing as a separate Method of Travel to Work option and all stakeholders agreed with the need to collect ride sourcing information and the proposal to do so accordingly. The main suggestion was to change the term ride sharing.

Queensland TMR and the Bureau of Infrastructure, Transport and Regional Economics (BITRE) suggested a second approach which would result in less useful information, but less change. This consists of changing the current option of 'Taxi' in the Census to become 'Taxi **or ride sourcing**'.

Queensland TMR has also recommended removing the examples of private companies listed in DoT's draft submission to stakeholders in the ride sourcing question (i.e. Uber, Ola, GoCatch, Shebah, etc) as would take two lines on the Census form rather than one line, and recommends moving the examples to a help or FAQ section of the Census.

4.2 Submission preference

The **first** preference for modifying the Census content is to include "ride sourcing" in the Method of Travel to Work question.

If this cannot be achieved, the **second** preference for modifying the Census content is to edit the current "Taxi" mode to the new "Taxi or ride sourcing" in the Method of Travel to Work question, however this would not provide the same level of useful information.



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